

Message Text

LIMITED OFFICIAL USE

PAGE 01 OTTAWA 06763 271841Z
ACTION TRSE-00

INFO OCT-01 EUR-12 EA-07 ISO-00 AID-05 CIAE-00 COME-00
EB-08 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15
STR-04 CEA-01 L-03 H-01 PA-01 PRS-01 NEA-10 IO-13
/116 W

-----099663 280406Z /17

R 271837Z JUL 77
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC 4255
INFO AMEMBASSY BONN
AMEMBASSY CANBERRA
AMEMBASSY LONDON
AMEMBASSY MANILA
AMEMBASSY PARIS
AMEMBASSY TOKYO
AMEMBASSY WELLINGTON

LIMITED OFFICIAL USE OTTAWA 06763

USADB

E.O. 11652: N/A
TAGS: ADB, EFIN
SUBJECT: ADB LENDING RATE
REF: A. STATE 156569, B. STATE 166635, C. OTTAWA 6094

1. WHILE GOC CONTINUES TO OPPOSE REDUCTION
OF ADB LENDING RATE FROM 8.7 TO 8.25 PERCENT (REF B),
IT NOW WILLING TO SEE "COMPROMISE" REDUCTION TO 8.5 OR
8.4 PERCENT. POSITION APPARENTLY REFLECTS RECOMMENDATION
FROM CANADIAN EXECUTIVE DIRECTOR IN MANILA FOR FLEXIBILITY
ON RATE REDUCTION QUESTION IN RESPONSE TO PRESSURE FROM
ADB BORROWERS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OTTAWA 06763 271841Z

2. AT THE SAME TIME, GOC IS NOT SATISFIED WITH CURRENT
FORMULA FOR CALCULATING ADB'S NORMALIZED ACTUAL BORROWING
COSTS. BECAUSE OF HEAVY ADB BORROWING LAST YEAR AT HIGH
RATES, GOC BELIEVES ACTUAL COSTS ARE HIGHER THAN FORMULA
WOULD SUGGEST. IT PLANS TO CALL FOR A COMPLETE REVIEW
OF METHODS FOR CALCULATING COSTS AT ADB MEETING IN
JANUARY.

3. IN REGARD TO ADMINISTRATIVE COSTS, GOC BELIEVES
IMPUTED COST OF BANK'S PAID IN CAPITAL (ABOUT 37 BASIS
POINTS - REF B) SHOULD NOT BE INCLUDED IN LENDING RATE,
BUT RATHER BE TREATED AS SUBSIDY ELEMENT. ENDERS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INTEREST RATES, FINANCIAL PLANS, LOANS
Control Number: n/a
Copy: SINGLE
Sent Date: 27-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977OTTAWA06763
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770269-1149
Format: TEL
From: OTTAWA USADB
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770714/aaaaalpg.tel
Line Count: 67
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0210f762-c288-dd11-92da-001cc4696bcc
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 156569, 77 STATE 166635, 77 OTTAWA 6094
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 27-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1734536
Secure: OPEN
Status: NATIVE
Subject: ADB LENDING RATE
TAGS: EFIN, ADB
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/0210f762-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009